

FISCAL NOTE

SB 1730 - HB 1746

April 27, 2001

SUMMARY OF BILL:

- Creates a 12-member Prescription Drug Advisory Commission to review access to and pricing of prescription drugs. The commission is also to report to the Commissioner of Health, the Governor, and the General Assembly.
- Authorizes the Department of Health to impose maximum retail prices for prescription drugs when the average cost for certain drugs is not reasonable. The department must adopt rules by July 1, 2003 governing the procedures for the review and creation of maximum retail prices on new prescription drugs. A violation of maximum retail prices is a violation of the Unfair Trade Practices Act and is subject to a criminal fine not to exceed one million dollars.
- Makes it unlawful for a prescription drug manufacturer, distributor, or labeler to illegally profit from a prescription drug. The bill authorizes the attorney general to bring a civil action for any direct or indirect injury by illegal profiteering and is subject to a civil penalty not to exceed one hundred thousand dollars. The AG is to bring action for violations based on a petition from the Commissioner of Health or a petition from 50 citizens. Any damages collected by the state are to be distributed equitably to all injured parties.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Assumes an increase in state expenditures for administration of the program. Several departments of state government would be impacted including the Department of Health and the Attorney General's Office. The amount of the increase is estimated to exceed \$100,000 to implement the provisions of the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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